

Sales down -16.1% in organic terms<sup>1</sup> in Q2 2024-25  
2024-25 guidance adjusted

- Strong drop in sales in the **Americas** as destocking continued; sequential improvement in depletions<sup>2</sup> in the United States (Q2 24-25 vs. Q1 24-25) but below expectations
- Decline in sales in **APAC**<sup>3</sup>, reflecting a high basis of comparison and tougher market conditions in China; RM Club and e-commerce were resilient
- Slight improvement in sales in **EMEA**<sup>4</sup> despite persistently sluggish consumer trends
- **2024-25 guidance adjusted:**
  - Sales: double-digit decline in organic terms (vs. “a gradual recovery over the course of the year” previously)
  - COP margin: organic deterioration partially offset by a cost-cutting plan totalling over €50m (vs “protection of profitability” previously)
- **2029-30 strategic plan confirmed**

Rémy Cointreau reported sales of €533.7 million in the first half of 2024-25, down -15.9% on an organic basis. On a reported basis, the decline was -16.2%, including a negative currency effect of -0.3%, due primarily to trends in the Chinese renminbi.

In the first half, sales in the **Americas** fell by -22.8% on an organic basis, as a result of continued destocking. The **APAC** region posted a decline of -8.0%, reflecting both the high basis of comparison (with sales up +42.2%<sup>5</sup> compared to H1 2019-20) and tougher market conditions in China, as well as slack consumption in Southeast Asia. Lastly, sales in **EMEA** were down -18.8% in organic terms, reflecting persistently variable consumer trends.

**Breakdown of sales by division:**

€m (April-September 2024)	H1 2024-25	H1 2023-24	Change as reported	Organic change <sup>5</sup>	
				vs. H1 23-24	vs. H1 19-20
Cognac	341.5	416.1	-17.9%	-17.5%	-10.4%
Liqueurs & Spirits	181.7	206.7	-12.1%	-12.0%	+38.0%
<b>Subtotal: Group Brands</b>	<b>523.2</b>	<b>622.7</b>	<b>-16.0%</b>	<b>-15.7%</b>	<b>+2.0%</b>
Partner Brands	10.5	14.0	-24.7%	-25.0%	-18.3%
<b>Total</b>	<b>533.7</b>	<b>636.7</b>	<b>-16.2%</b>	<b>-15.9%</b>	<b>+1.5%</b>

<sup>1</sup> All references to “on an organic basis” in this press release refer to sales growth at constant currency and consolidation scope

<sup>2</sup> Wholesalers’ sales to retailers

<sup>3</sup> Asia-Pacific

<sup>4</sup> Europe, Middle East and Africa

<sup>5</sup> At constant currency (2023-24 rates)

## Cognac

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The **Cognac** division's sales were down -20.7% on an organic basis in the second quarter.

In the **APAC** region, sales in **China** showed a limited decline despite the high basis of comparison (three consecutive years of strong growth) and a complex environment. While sales of Rémy Martin CLUB rose, the Group's overall performance was undermined by a slowdown in the high-end segment. E-commerce continued to stand out for its resilience, growing by more than +10%. Over the same period, sales in **Southeast Asia** fell sharply, hit by fierce promotional conditions.

In the **Americas**, and more specifically the **United States**, ongoing destocking continued to weigh on sales, in a market impacted by the normalization of consumption and high interest rates, all in a fiercely promotional environment. While depletions showed a sequential improvement in the second quarter compared to the first quarter, they remained well below expectations.

The **EMEA** region saw a marked decline in sales in a highly promotional market in Europe, along with destocking in **Africa** (linked notably to a change in distribution in Nigeria).

## Liqueurs & Spirits

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Second-quarter sales in the **Liqueurs & Spirits** division were down -4.9% in organic terms, but nonetheless, showing a sequential improvement compared to the first quarter.

In the **Americas**, particularly the **United States**, sales declined, marking a disconnect with the resilience of depletions, with wholesalers keen to optimize their global inventories.

The **EMEA** region reported a slight rise in sales thanks to a number of campaigns in summer aimed at promoting the *Cointreau* and *Metaxa* brands. Germany, France, Greece and Spain all outperformed expectations.

Lastly, the **APAC** region saw sales decline, reflecting weak consumer trends in **Southeast Asia** and ongoing adjustment of whisky stocks in **China**. By contrast, Japan continued to experience strong growth driven by *Bruichladdich* and *Cointreau*.

## Partner Brands

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Sales of **Partner Brands** fell by -25.4% in organic terms in the second quarter.

## Outlook

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A persistent lack of visibility on the timing of recovery in the United States, combined with worsening market conditions in China, have led Rémy Cointreau to update its assumptions for 2024-25:

- **Americas:** no return to growth before the fourth quarter of 2024-25 at the earliest
- **APAC:** sequential sales deterioration in the second half compared with the first half
- **EMEA:** continued subdued consumer trends in the second half of the year

In this worsening economic environment, Rémy Cointreau remains determined to protect, as much as possible, its current operating margin (in organic terms), through continued tight cost controls and implementation of a new cost-cutting plan totalling more than €50 million.

As a result, Rémy Cointreau is adjusting its full-year 2024-25 objectives as follows:

- **Sales:** another year of double-digit decline in organic terms (vs “a gradual recovery over the course of the year” previously)
- **COP margin:** organic deterioration partially offset by a cost-cutting plan totalling over €50 million (vs “protection of profitability” previously)

Lastly, the Group expects the full-year impact of **exchange rates to be:**

- **On Sales:** between -€5 million and -€10 million (mainly in the second half)
- **On COP:** between +€3 million and +€7 million (mainly in the first half)

The Group has also taken note of the provisional decision of the Chinese Ministry of Commerce (Mofcom) to apply additional duties of 38.1% on cognac imports coming into China starting October 11, 2024. If this decision is confirmed, the impact would be marginal for the 2024-25 fiscal year, and the Group would activate its action plan to mitigate the effects from 2025-26.

2024-25 will be a year of transition, with highlights including finalization of destocking in the Americas, and 2025-26 will mark a resumption of the trajectory set for 2029-30:

- high single-digit annual growth in sales on average and on an organic basis
- a gradual organic improvement in Current Operating Profit margin

Rémy Cointreau reiterates its **financial targets for 2029-30: a gross margin of 72% and a Current Operating Margin of 33%** based on 2019-20 consolidated scope and exchange rates.

## Contacts

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## About Rémy Cointreau

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All around the world, there are clients seeking exceptional experiences; clients for whom a wide range of terroirs means a variety of flavors. Their exacting standards are proportional to our expertise – the finely-honed skills that we pass down from generation to generation. The time these clients devote to drinking our products is a tribute to all those who have worked to develop them. It is for these men and women that Rémy Cointreau, a family-owned French Group, protects its terroirs, cultivates exceptional multi-centenary spirits and undertakes to preserve their eternal modernity. The Group's portfolio includes 14 singular brands, such as the Rémy Martin and LOUIS XIII cognacs, and Cointreau liqueur. Rémy Cointreau has a single ambition: becoming the world leader in exceptional spirits. To this end, it relies on the commitment and creativity of its 1,943 employees and on its distribution subsidiaries established in the Group's strategic markets. Rémy Cointreau is listed on Euronext Paris.

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A conference call with investors and analysts will be held today by CFO Luca Marotta, from 9:00 am (Paris time). Related slides will also be available on the website ([www.remy-cointreau.com](http://www.remy-cointreau.com)) in the Finance section.

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## Appendices

### *Q1 2024-25 sales (April-June 2024)*

<i>€m</i>	Reported 24-25 A	Forex 24-25	Scope 24-25	Organic 24-25 B	Reported 23-24 C	Reported change A/C-1	Organic change B/C-1
Cognac	135.5	-0.6	-	136.1	155.1	-12.6%	-12.2%
Liqueurs & Spirits	75.8	0.3	-	75.6	95.0	-20.1%	-20.4%
<b>Subtotal: Group Brands</b>	<b>211.3</b>	<b>-0.4</b>	<b>-</b>	<b>211.7</b>	<b>250.0</b>	<b>-15.5%</b>	<b>-15.3%</b>
Partner Brands	5.7	0.0	-	5.7	7.5	-24.3%	-24.6%
<b>Total</b>	<b>217.0</b>	<b>-0.4</b>	<b>-</b>	<b>217.4</b>	<b>257.5</b>	<b>-15.7%</b>	<b>-15.6%</b>

### *Q2 2024-25 sales (July-September 2024)*

<i>€m</i>	Reported 24-25 A	Forex 24-25	Scope 24-25	Organic 24-25 B	Reported 23-24 C	Reported change A/C-1	Organic change B/C-1
Cognac	206.0	-0.9	-	206.9	261.0	-21.1%	-20.7%
Liqueurs & Spirits	105.9	-0.4	-	106.3	111.7	-5.2%	-4.9%
<b>Subtotal: Group Brands</b>	<b>311.9</b>	<b>-1.3</b>	<b>-</b>	<b>313.2</b>	<b>372.7</b>	<b>-16.3%</b>	<b>-16.0%</b>
Partner Brands	4.8	0.0	-	4.8	6.4	-25.2%	-25.4%
<b>Total</b>	<b>316.7</b>	<b>-1.3</b>	<b>-</b>	<b>318.0</b>	<b>379.2</b>	<b>-16.5%</b>	<b>-16.1%</b>

### *H1 2024-25 sales (April-September 2024)*

<i>€m</i>	Reported 24-25 A	Forex 24-25	Scope 24-25	Organic 24-25 B	Reported 23-24 C	Reported change A/C-1	Organic change B/C-1
Cognac	341.5	-1.6	-	343.0	416.1	-17.9%	-17.5%
Liqueurs & Spirits	181.7	-0.1	-	181.8	206.7	-12.1%	-12.0%
<b>Subtotal: Group Brands</b>	<b>523.2</b>	<b>-1.7</b>	<b>-</b>	<b>524.9</b>	<b>622.7</b>	<b>-16.0%</b>	<b>-15.7%</b>
Partner Brands	10.5	0.0	-	10.5	14.0	-24.7%	-25.0%
<b>Total</b>	<b>533.7</b>	<b>-1.6</b>	<b>-</b>	<b>535.3</b>	<b>636.7</b>	<b>-16.2%</b>	<b>-15.9%</b>

*Regulated information in connection with this press release can be found at [www.remy-cointreau.com](http://www.remy-cointreau.com)*

## Definitions of alternative performance indicators

Rémy Cointreau's management process is based on alternative performance indicators, selected for planning and reporting purposes. The Group's management considers that these indicators provide users of the financial statements with useful additional information to help them understand its performance. These indicators should be considered as supplementing those including in the consolidated financial statements and resulting movements.

### *Organic sales growth:*

Organic growth excludes the impact of exchange rate fluctuations, acquisitions and disposals.

The impact of exchange rate fluctuations is calculated by converting sales for the current financial year using average exchange rates from the prior financial year.

For current-year acquisitions, sales of acquired entities are not included in organic growth calculations. For prior-year acquisitions, sales of acquired entities are included in the previous financial year but are only included in current-year organic growth with effect from the actual date of acquisition.

For significant disposals, data is post-application of IFRS 5 (which reclassifies entities disposed of under "Net earnings from discontinued operations" for the current and prior financial year). It thus focuses on Group performance common to both financial years, over which local management has more direct influence.